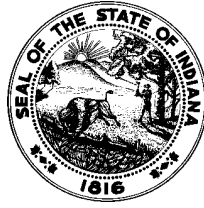


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Agricultural Land Base Rates For The Assessment Dates: March 1, 2009 – 2015

Data Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Tax Year												
15 Pay 16							\$2,420 *					
14 Pay 15						\$2050 *						
13 Pay 14					\$1,760 *							
12 Pay 13				\$1,630 *								
11 Pay 12			\$1,500 *									
10 Pay 11		\$1,290 *										
09 Pay 10	\$1,250											

The Agricultural Land Base Rate calculation was first established for the 2002 general reassessment and was developed in compliance with the St. John's court case using the methodology described below. The statute related to the base rate calculation can be found at IC 6-1.1-4-4.5(e).

The calculations made for 2007 payable in 2008 through 2015 payable in 2016 are based on a rolling six-year average of market value in use. Prior calculations were made based on a four-year rolling average. As illustrated in the following equation, the market value in use of agricultural land is calculated by dividing the net income of each acre by the appropriate capitalization rate.

$$\text{Market value in use} = \text{Net Income} / \text{Capitalization Rate}$$

The change in market value in use is based on changes in cash rent, yields, production costs, market prices and interest rates. For example, the change for 2015 pay 2016 was the result of the removal of the 2006 data and the addition of the 2012 data.

Net Cash Rents increased from \$110 in 2006 to \$185 on 2012. While yields for corn decreased from 157 bushels in 2006 to 99 bushels in 2012 and yields for soybeans decreased from 50 bushels in 2006 to 44 bushels in 2012, prices for corn increased considerably from \$2.00 in 2006 to \$6.31 in 2012 (market year average) and prices for soybeans also increased considerably from \$5.78 in 2006 to \$12.70 in 2012 (market year average). The net effect of the higher prices and decreased yields resulted in a sizable increase in profits. Interest rates also dropped from 8.18% in 2006 to 5.06% in 2012, which would increase market value under the income approach.

*March 1, 2010 payable in 2011:

Senate Enrolled Act (SEA) 396 required the elimination of the highest year of the six years of data from the calculation.